

BRIEFING PAPER FOR THE PRESIDENT'S PRESS CONFERENCE

February 7, 1963

SUBJECT: Shipping Regulations on Cuban Trade

- QUESTION: The U. S. has issued one part of its projected over-all regulations concerning ships engaged in the Cuban trade.
- a) When is it anticipated that the other three parts of this over-all frame will be issued?
  - b) What is holding up the issuance of these other elements of the over-all plan?
  - c) Is the U. S. attempting through diplomatic or other means to "choke" off the shipment of strategic materials to Cuba?
  - d) It is asserted by practically everyone that the Cuban economy would grind to a halt if an embargo on Free World oil shipments to Cuba were to be proclaimed and effectively followed. What is the U. S. doing through diplomatic or other means in an effort to bring about such an embargo on the part of free countries generally?

CURRENT SITUATION REPORT:

Even before the new shipping directive was issued, there were comments from the American maritime industry and others that the regulation would not be strong enough to bring about the decline in free-world shipping to Cuba which they consider necessary to tighten the economic embargo on the island regime.

The United States has under active consideration additional measures which may be invoked if considered necessary. (The other three points were these--as outlined in a State Department BACKGROUND briefing in October:

- (1) Close U. S. ports to all ships of any country if any vessel of that country carries arms, munitions, or military equipment to Cuba.
- (2) Close U. S. ports to ships that are on a voyage carrying cargoes from the Sino-Soviet Bloc to Cuba.
- (3) Prohibit all U. S. owned ships, whether or not under a U. S. flag, from engaging in the Cuba trade.)

SUGGESTED POINTS IN REPLY:

- a) For some time, the policy of the United States has been directed toward isolating Cuba, while at the same time making Cuba more costly for the Soviet Bloc to maintain. Except for humanitarian reasons, no American ships have gone to Cuba for two years.

Since the missile crisis, there has been an encouraging and marked drop in Free World shipping to Cuba. Last July 92 non-communist Bloc ships called at Cuban ports, and in January, 1963, this figure had fallen off to 13. Many Free World shipping nations and ship-owners have voluntarily taken measures to withdraw their shipping from the Cuban trade. We hope that these voluntary efforts will result in the eventual elimination of Free World shipping in the Cuban trade.

In the meantime instructions have been issued to the appropriate departments and agencies with respect to the policies they will adopt in the future regarding shipment of U. S.-financed cargoes. It is plainly objectionable that any U. S. Government-financed cargoes be shipped in foreign flag vessels that are engaged in the Cuban trade. The concerned Department and agencies of the Government have therefore been directed not to permit shipment of any such cargoes on vessels that have called at a Cuban port since January 1, 1963, unless the owner of such a ship gives satisfactory assurances that no ship under his control will thenceforth be employed in the Cuban trade.

- b) In the light of the encouraging cooperation we have had from our allies, we are holding in reserve other shipping regulations for use if and when we decide they are needed.
- c) The United States has taken a series of measures both unilaterally and in collaboration with our friends and allies to reduce the shipment of strategic materials to Cuba. Today, our information indicates that no free world country is shipping arms, implements of war or similar strategic items (such as COCOM list items) to Cuba. We do, however, remain concerned that essential spare parts and equipment continue to be shipped.
- d) An embargo on Free World oil shipments to Cuba would not have the effect of cutting off all oil shipments to Cuba. All of the oil now arriving in Cuba comes from the Soviet Bloc, and most of it is carried in Soviet tankers.